



## **Factors Influencing Work Motivation of the Workers Working at Samsung Electronics Vietnam Thai Nguyen**

Nguyen Thi Gam<sup>1</sup> and Le Dang Minh<sup>2</sup>

<sup>1</sup> Faculty of Marketing, Commerce and Tourism,  
Thai Nguyen University of Economics and Business Administration, Vietnam

<sup>2</sup> Faculty of Business Administration, Van Hien University, Vietnam

<sup>1</sup> E-mail: ntgam@yahoo.com

### **Abstract**

The study on “Factors influencing work motivation of the workers working at Samsung Electronics Vietnam Thai Nguyen” (SEVT) was conducted with the purpose of identifying factors that influence the workers; work motivation. 400 workers working at SEVT were under this survey. The regression models were examined to identify if there was a positive influence salary and benefit, training and development, relationship with supervisor, relationship with co-workers, recognition and working conditions. The research findings showed that all 6 factors have a significant influence on work motivation. Based on these findings, some recommendations were forwarded.

**Keywords:** Work motivation, salary and benefits, training and development, relationship with supervisor, relationship with co-workers, recognition, working conditions



## 1. Introduction

With rapid development of the Vietnam's economy in recent years, the demand for human resource is increasing. All organizations have been paying more and more attention to the human resource management issues, especially to selecting the qualified people for the right job. However, it is not enough to only choose the right people, manager must know to retain their people, and motivate them to work more effectively and efficiently. Nowadays, the shortage of "capable" human resource and the retention of talent employees become hot issues of every company, especially for FDI companies. The stability of human resources will help the company save time, and costs for recruitment or training, reduce errors caused by new employees unfamiliar with the new work, lift up trust and solidarity within agency. Since then, the employees will see organizations as an ideal place for them to promote their career as well as wish to stay in a long time, for the whole career life with organizations.

In the process of assessing perceptions of job satisfaction, and work motivation of employees working in the public organization must consider a multitude of factors and issues that come into play, such as salary, benefits, welfare, training, promotion, relationship with supervisor and colleagues, working conditions, recognition, management, effectiveness of communication, job design, etc. The intent of this study is to focus on the importance of these specific factors to provide a better understanding of their interrelatedness, as well as how they can be used as indicators of general employee satisfaction, work motivation and then incorporated into the organization's strategic planning effort. By identifying how and why the well-being of employees is influenced by the above factors, the healthcare leadership team will be better prepared to react to future employee performance.

Most factors contributing to low levels of work motivation can be linked to management practices within the organization. Dissatisfaction in any of these areas tends to be higher in work settings where employees feel they are undervalued, unappreciated, unimportant, and otherwise excluded from reasonable consideration as part of the organizational team. Findings of an investigation by previous researchers suggest that, among other factors, the organizational environment in which staff performs their jobs directly affects their attitudes related to work motivation as well as plans for continuing their employment.

Samsung Electronics Vietnam set up a second plant in Thai Nguyen in 2014. It is a biggest plant of Samsung Electronics Limited Company abroad. With a huge investment of 5 billion USD, Samsung Electronics Vietnam Thai Nguyen is located in 200ha and hires 65,000 workers. Working at Samsung is a proud of everybody. Thanks to the company's better working conditions and higher salary as well as better benefits, more and more work youths coming to work for Samsung. However, workers working for Samsung also face a lot of pressure such time: time, health and technical skills necessary to perform their work. In order to make workers satisfied and committed to their jobs at the company, there is need for strong and effective motivation at the various levels of the company. The question is how to motivate workers to work better and harder in order to be able to compete successfully in the marketplace. Each workers has a different set of factors that motivates him to do his best work. The company management needs to understand what the motivations of other workers are in order to effectively manage and grow a business that has the full support of its employees. In addition, until present there is a little literature on work motivation and factors influencing work motivation in Vietnam, especially in the FDI company.

The main purpose of the paper is to determine factors that influence work motivation of working working at Samsung Electronics Vietnam Thai Nguyen.



## 2. Literature review

Most importantly, stability of the workforce will help the state agencies to work more effectively and efficiently. So the question is how the company can build the stable human resource? In order to achieve this, it is necessary to create job satisfaction and work motivation for the employees. When employees feel satisfied, they are motivated to work harder, which leads to higher performance and more efficiency. In many organizations, managers are willing to spend big investment remuneration to create good workplace. However, many people are still feeling lack of satisfaction with their work. They don't want to stay with an organization and do not motivate to work. So what factors affects the satisfaction of employees? How to make them be happy and reduce bore feeling with the job. How to make employees with low working spirit be able to become enthusiastically? These are all what manager care and concern.

*Work motivation* also defined as “a psychological process resulting from the reciprocal interaction between the individual and the environment that affect a person's choices, effort, and persistence” (Latham & Ernst, 2006). Motivation is a group of phenomena which affect the nature of an individual's behavior, the strength of the behavior, and the persistence of the behavior.

A great amount of definitions are presented by literature, e.g. Vignali (1997) points out that motivation is a process that triggers individuals to act as they do. Analoui(2000) sees motivation as a drive within the individual necessary to direct that person's actions and behaviour towards the achievement of some goals, and focuses, according to Luthans (1995) and Mullins (1999), on the fulfilment of certain needs and expectations. Moreover, Westerman and Donoghue refer to motivation as: “...a set of processes which energize a person's behaviour and direct him or her towards attaining some goal, or put more simply getting people to do willingly and well those things which have to be done.” (adopted from *Managing the human resource*, 1989, p. 79).

Practically all people are concerned with motivation to some extent, and something all employees have in common is that they are people; and people work best when they are motivated (Whiteley, 2002). However, to get employees to do their best, during all conditions, is one of the most difficult challenges managers are facing (Nohria, Groysberg & Lee, 2008). (adopted from Elin Järnström, 2012). It is not possible to give one answer to what motivates employees who work with routine based tasks, as everyone is different and therefore get motivated by a variety of factors. Money seems to be an essential factor, to go to work, for most of the employees. They do not go to work in hope of receiving rewards in form of money. However, money is complex, and the study shows that rewards in form of money are not totally passé. One of the keys for motivation to go to work is money, because it is needed to survive. Some of the employees at this department would even increase their performance with commission-based salary, according to themselves. There are some tools to motivate people to work: (1) Income/ Salary; (2) Financial incentives: bonus, allowance, welfare and services, etc. , (3) Non –financial incentives: the nature of work: easy or difficult, staff or worker..., work conditions/ environment, security of service, recognition, job enrichment, promotion opportunities.

Michael Kirstein (2010) studied work motivation in the research “***The role of motivation in Human Resource Management: Importance of motivational factors among future business persons***”. The research was conducted with the sample of 152 respondents from Aarhus School of Business, and 148 participants from Management and Marketing Department at University of Gdansk (UG) in Poland. Respondents were asked to rank thirteen motivation factors in the order of their importance. The distribution of ranks was similar in both groups. The findings indicated that ‘interesting work’ and ‘good wages’ were the most important factors for all students. Students from Aarhus School of Business gave the third position to Feeling of being



well informed while students from Gdansk University to Job security. Both groups agreed that Promotion and growth in the organization and Full appreciation of work done were also included in the top five factors according their importance.

Based on Two-Factor Theory (Frederick Herzberg, 1959), we develop the following hypotheses”

1. There is the positive relationship between salary and benefits. and work motivation of the workers working at Samsung Electronics Vietnam Thai Nguyen
2. There is the positive relationship between training & development, and work motivation of the workers working at Samsung Electronics Vietnam Thai Nguyen
3. There is the positive relationship between relationship with supervisor and work motivation of the workers working at Samsung Electronics Vietnam Thai Nguyen
4. There is the positive relationship between relationship with co-workers and work motivation of the workers working at Samsung Electronics Vietnam Thai Nguyen
5. There is the positive relationship between recognition and work motivation of the workers working at Samsung Electronics Vietnam Thai Nguyen
6. There is the positive relationship between work conditions and work motivation of the workers working at Samsung Electronics Vietnam Thai Nguyen

### 3. Research methodology

The primary data was collected from survey questionnaires distributed to the company worker.

- *Sample size*: The total number of the company is about 65,000 by August 2017. Therefore, the sample size was calculated according to the Slovin formula:

$$n = \frac{N}{N + Ne^2} = \frac{65000}{1 + 65000(0.05)^2} = 397, 6$$

Where:

N = total population

n = the desire sample size

e = margin on error, usually set at 0.05

- *Sampling Criteria*: The sample was randomly selected from the company workers who have been working at least one year.

In this study, to ensure the reliability we have random distributed 430 questionnaires to workers. 410 responses were collected. Of which 10 responses were removed from our data base since they missed many items in the questionnaires. 400 responses were good for the further analysis.

In this study, Cronbach’s alpha is used to test reliability of the questionnaire items. The reliability statistic test showed that the Combat Alpha of the factors under the study were higher than 0.8, exceed the 0.7 cut-off point. This mean that the internal consistency reliability of the measure used in this research can be considered good for further steps of analysis. Factor analysis was used to combine the data for the regression model and correlation test was used to test the validity of the data. 6 factors (salary and benefits, training and development, relationship with



supervisor, relationship with colleagues, recognition and working condition) were valid for further analysis. The regression was used to identify factors that influence work motivation.

#### 4. Results and discussions

In this part of the research, we are going to present the research findings and analysis. Factors that influence work motivation of the worker working at Samsung Electronics Vietnam-Thai Nguyen are examined. Factors considered in this study are salary and benefits, training and development, relationship with supervisor, relationship with colleagues, recognition and working conditions. The regression model was used and the results are presented in the following tables:

**Table 1: Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.790 <sup>a</sup>	.624	.618	.61819842	1.999

a. Predictors: (Constant), Working conditions, Relationship with co-workers, Salary and benefits, Relationship with supervisor, Training and development, Recognition

b. Dependent Variable: Work motivation

The Model summary table reports the strength of the relationship between the model and the dependent variable. “R” value indicates the strength of relationship with larger values indicating stronger relationship and “R<sup>2</sup>” is the proportion of the variation in the dependent variable explained by the regression. Both R and R<sup>2</sup> the regression procedure values range from 0 to 1.

According to statistics, R-square indicate the percentage of variation in one variable is explained by other variables. The model summary showed that R<sup>2</sup> for the combined model is 0.624. In this model, this means that work motivation is accounted for 62.4% of the total variation in 6 independent variables in the model. The rest is dependent on other variables not included in the model.

The Durbin-Watson coefficient = 1.832 (in between 1<D<3) shows no correlation between the residuals, which means that the regression model does not violate the assumption of error tolerance.

**Table 2: ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	248.190	6	41.365	108.237	.000 <sup>b</sup>
	Residual	149.810	392	.382		
	Total	398.000	398			

a. Dependent Variable: Work motivation



b. Predictors: (Constant), Working conditions, Relationship with co-workers, Salary and benefits, Relationship with supervisor, Training and development, Recognition

The ANOVA table tests the acceptability of the model from a statistical perspective. F-ration indicates the statistical significance of the overall model. The F-ratio is the results of comparing the amount of explained variance to the unexplained variance. The regression model results in the ANOVA table above showed that the overall model is significantly different from 0 (the F-ratio = 108.237 which is significant at the 0.00 level). This means that the overall model is significantly different from 0 and the multiple linear regression models is consistent with the data set and the model is fit to be used.

**Table 3: Coefficients <sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-.003	.031		-.111	.912		
Salary and benefits	.137	.043	.137	3.211	.001	.527	1.899
Training and development	.254	.046	.254	5.547	.000	.457	2.190
1 Relationship with supervisor	.110	.051	.109	2.169	.031	.378	2.648
Relationship with co-workers	.117	.041	.117	2.837	.005	.568	1.760
Recognition	.124	.058	.124	2.149	.032	.290	3.449
Working conditions	.232	.044	.231	5.295	.000	.505	1.982

a. Dependent Variable: Work motivation

From table above, the Variance Inflation Factor (VIF) of variables are fairly smaller than 10, indicating that there is no sign of multicollinearity. All significant predictor variables were less than 0.05 level of significance.

The results in the table 3 on Coefficients showed that:

- 1) Salary and benefits has a beta coefficient of 0.137,  $t_{statistics} = 3.211$  and significant level at the 0.01 level
- 2) Training and development has a beta coefficient of 0.254,  $t_{statistics} = 5.547$  and significant level at the 0.00 level
- 3) Relationship with supervisor has a beta coefficient of 0.109,  $t_{statistics} = 2.169$  and significant level at the 0.05 level
- 4) Relationship with co-worker has a beta coefficient of 0.117,  $t_{statistics} = 2.837$  and significant level at the 0.05 level



5) Recognition has a beta coefficient of 0.124,  $t_{\text{statistics}} = 2.149$  and significant level at the 0.05 level

6) Working condition has a beta coefficient of 0.231,  $t_{\text{statistics}} = 5.295$  and significant level at the 0.00 level

The empirical study shows that we are able to reject the null hypothesis that variables in the model are unrelated, and claim with confidence that salary and benefits, training and development, relationship with supervisor, relationship with co-workers, recognition and working conditions are associated with work motivation. Thus H1, H2, H3, H4, H5, and H6 are supported

Thus, the regression model can be summary in the following equation:

Work motivation = 0.137 salary and welfare\* + 0.254 training and development\* + 0.109 relationship with supervisor\*\* + .117 relationship with co-workers\*\* + 0.124 recognition\*\* + 0.231 working condition\*

(\*) significant at 0.00

(\*\*) significant at 0.05

In other words, the results from the regression model revealed that salary and benefits, training and development, relationship with supervisor, relationship with co-workers, recognition and work conditions are a good predicts of work motivation of the workers working at Samsung Electronics Vietnam Thai Nguyen

According to Beta coefficients, every time when salary and benefits, training and development, relationship with supervisor, relationship with co-workers, recognition and work conditions increase by one unit, work motivation of the workers will increase 0.137, 0.254, 0.109, 0.117, 0.124, and 0.231 respectively.

The equation revealed that training and development has a strongest influence on job satisfaction, following by work conditions.

## 5. Conclusions

Starting operation on 2014, Samsung Electronics Vietnam Thai Nguyen becomes a biggest company of Samsung group abroad. With the total investment of 5 billion USD, Samsung Electronics Thai Nguyen Vietnam currently hires the largest of amount of employees, with 65,000 workers. The number of new workers is increasing. Therefore, the question of how to motivate its workers is of the company concerns.

The research findings showed that salary and benefits, training and development, relationship with supervisor, relationship with co-workers, recognition and work conditions are positively influence work motivation of the company workers. These findings are consistent with previous studies (Tran Kim Dung, 2005, Chau Van Toan, 2009, etc.) in Ho Chi Minh city. However, we found that there was some differences from the study of Nguyen Van Bay (2013) which also studied about factors of work motivation of the workers working at Joint Stock Company No 22, a military company. He could not find any relationship between salary and benefits, training and development, relationship with supervisor, and working conditions. However, his study found a positive relationship between work motivation and relationship with co-worker, and nature of work. This can be explained by the fact that Joint Stock Company No 22 is a military company. Thus, policies relates to work motivation to some extent were limited, and did not influence the workers' work motivation. While Samsung Electronics Vietnam Thai Nguyen is a Korean wholly owned company, one of biggest giant in the world. It is to professional in term human resource management in general and work motivation in particular.

In this paper, we do not present the descriptive analysis of variables in the regression



model. Samsung Electronics Vietnam Thai Nguyen is doing its best to motivate its workers such as paying higher salary and benefits as compared to those work for the domestic companies, providing a necessary training and promotion, working condition, as well building favorable team work. However, it seems workers feel not much happy with the relationship with supervisor and recognition of achievement at the company. So company should pay attention on building a good relationship with supervisors/ leaders and recognition of the employee's achievement, if the company would like to motivate their workers as well as satisfy them and make them commit the Samsung.

Similar to other researches, there are some limitation in this research. This research was conducted with 6 variables with survey questionnaires. More sophisticated measures are needed to assist in analyzing the factors that influence work motivation. In addition, the data were only collected on perceived evaluation of 400 workers. Future research should look at more objective and precious data from management and workers.

## References

1. Nguyen Thi Kim Anh (2011). Measurement of employees' job satisfaction at the Fresenius Kabi Bidiphar. MS Thesis, Ho Chi Minh University of Economics
2. Nguyen Van Bay (2013). Factors influencing work motivation: a case study at Joint Stock Company No 22, General Logistics Department, Mater thesis, Central Philippines University
3. Tran Kim Dung (2005). Measurement of job satisfaction within Vietnamese context". Journal of Science – Technology and Development, Ho Chi Minh National University Vol 8 (12).
4. Chau Van Toan (2009). Factors influencing job satisfaction of the office staff in Ho Chi Minh City". MS Thesis, HO Chi Minh University of Economics
5. Elin Järnström (2012). Work motivation: A qualitative study that describes what motivates employees with routine-based work tasks to go to work. University of Gothenburg
6. Kirstein, M. (2010). The role of motivation in human resources: importance of motivation factors among future business persons. Aarhus : Denmark Aarhus School of Business.
7. <http://english.thainguyen.gov.vn/-/provincial-leaders-working-with-samsung-electronics-company-limited-vietnam-thai-nguyen> (16/8/2016).